STAND. COM. REP. NO. 1412

Honolulu, Hawaii

APR 0 9 2015

RE: S.C.R. No. 143

Honorable Donna Mercado Kim President of the Senate Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.C.R. No. 143 entitled:

"SENATE CONCURRENT RESOLUTION URGING THE CITY AND COUNTY OF HONOLULU IN COORDINATION WITH THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION TO DEVELOP A PLAN TO GENERATE REVENUE FOR OPERATIONS AND MAINTENANCE OF RAIL,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the City and County of Honolulu to develop a plan to generate revenue for operations and maintenance of rail.

More specifically, this measure requests that:

- (1) The City and County of Honolulu, in coordination with the Honolulu Authority for Rapid Transportation:
 - (A) Develop a plan to generate revenue via transitoriented development near rail stations, including the development of housing and employment clusters;
 - (B) Identify locations where tax increment financing or community facilities districts may be established to generate revenues that could be used for construction, operations, and maintenance of the Honolulu rail transit project; and
 - (C) Identify areas of employment concentration and opportunities for future transit investments;

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- (2) The City and County of Honolulu review land use ordinances of lands that lie within one-half mile of rail stations and implement measures to amend zoning, as necessary, to allow for transit-oriented development in those areas to include but not be limited to commercial, residential, and mixed-use development; and
- (3) The Honolulu Authority for Rapid Transportation expend any proceeds from an extension of the county surcharge on state tax on construction only, and not for rail operation or maintenance costs.

Your Committee received written comments in support of this measure from the Honolulu Authority for Rapid Transportation. Your Committee received written comments on this measure from the Department of Planning and Permitting of the City and County of Honolulu.

Your Committee finds that the Honolulu Authority for Rapid Transportation has incurred a budget shortfall of up to \$900,000,000 for construction of the Honolulu rail project. Your Committee has approved another measure to address this shortfall in the capital cost budget for the project.

In that measure, your Committee has prohibited the Honolulu Authority for Rapid Transportation from using revenues from the county surcharge on state tax for operation and maintenance costs of the rail project. To that end, it is even more critical that the Honolulu Authority for Rapid Transportation and the City and County of Honolulu identify viable revenue generating options and develop plans to implement them, in order to fund the operation and maintenance of the rail system.

Your Committee is very concerned that, at the current time, no such plans exist, and strongly encourages the Honolulu Authority for Rapid Transportation and the City and County of Honolulu to capitalize on the economic development opportunities that can come with the demand for both housing and job creation along the rail line.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 143 and recommends its adoption.

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Respectfully submitted on behalf of the members of the Committee on Ways and Means,

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee	Committee Referral:		Date:	
SCR 143	TRA	TRA, WAM		4-8-15	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)		V			
KOUCHI, Ronald D. (VC)		V			
CHUN OAKLAND, Suzanne		V		,	
DELA CRUZ, Donovan M.		V			
ENGLISH, J. Kalani		V			
GALUTERIA, Brickwood					1/
HARIMOTO, Breene		V			<i></i>
INOUYE, Lorraine R.		V			
RIVIERE, Gil		V			
RUDERMAN, Russell E.					
SLOM, Sam					
TOTAL		9	2	/	<i>f</i>
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
We D.W.					
Distribution: Original					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes